

TALKING POINTS -- Poland

3 March 1981

Political Situation

Truce between Solidarity and regime entering fourth week. Although many issues not resolved nor even addressed, expect tenuous calm to continue.

- Militants within Solidarity and the regime could still prevent working out mutually acceptable compromises. This would lead to the regime to use its last-resort option -- imposing martial law.

From Soviet viewpoint, however, apart from temporary calm, all important trends in Poland negative: economy, loss of Party control, disintegration of party discipline, and unreliability of Polish military.

- Nevertheless, Soviets realize full well political balance of forces in Poland and the enormous costs of an invasion, and appear willing to give the Polish party's new tack a chance.
- Brezhnev made clear at party congress Moscow's ultimate willingness to intervene militarily in Poland, but left the door open to a settlement that retains some aspects of the changes that have occurred since last August.

Breakdown of current moratorium in Poland, with widespread turbulence, likely will result in martial law.

- This could set in train a series of events leading to Soviet intervention.

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Aid to Poland

The three year economic program presented by Poland to the Western governments provides a good excuse for large-scale additional Western assistance but it is designed to tell Western creditors what they want to hear and its achievement cannot realistically be considered a condition for a continuation of assistance to Poland.

- Many policies in the program, especially those providing for basic economic reforms, are likely to be implemented only well into the future, if at all.
- We doubt that a political consensus exists in Poland behind some aspects of the program. To condition Western aid on policies the Polish labor movement may reject would put us in a very difficult position.
- Even so, conditionality of some sort is necessary because of the danger of setting a bad precedent for other debtors.